

Background & Methodology

- In order to obtain information as to the mark ups on pet medications, a three stage process was undertaken:
 - ONLINE PRICING: A variety of pet medications were researched using online sources for filling OTC and Rx pet medications. Overall, a total of 15 websites were included in the analysis. (July/August, 2009)
 - WHOLESALE PRICING: Four veterinarian offices were approached and asked to fill out a sheet with the same series of pet medications listed, asking the offices to fill in the price charged by their wholesaler(s). (October/November, 2009)
 - RETAIL/VETERINARIAN PRICING: In October and November 2009, telephone calls were made to 2078 veterinarian offices, asking them what they charge for different medications. In total, 18 different medications were included in the study, each office being asked about three specific drugs. In many instances the veterinarian office was unable to provide a price due to not carrying the dosage, drug or they need to see the animal before providing a price. In total, 1728 were able to give a price for one or more of the drugs selected.
- In the case of medications that are sold in pill format (vs. monthly dosages like flea & tick medications), the pricing was standardized to the price of a single pill.

Executive Summary

- Products with low (single pill) wholesale prices have the highest proportions added to the price charged to consumers at the vet office.
 - The one exception is the drug Rimadyl which has a wholesale price of 81¢ and the average consumer price is less than double.
- Products with a higher wholesale price, such as flea & tick and heartworm medications, have more modest mark ups.
- Online options offer consumers significant savings for most products. The greatest are seen for antibiotics and pain relievers.

	<u>Online</u>	<u>Veterinarian</u>
Lowest Mark Up	38%	53%
Highest Mark Up	550%	1019%
Average Mark Up	91%	248%

<u>Product</u>	<u>Average Wholesale Price</u>	<u>Average Veterinarian Price</u>	<u>Veterinarian Mark-Up</u>
Tramadol	\$0.04	\$0.36	800%
Prednisone	\$0.06	\$0.40	567%
Amoxicillin	\$0.43	\$4.81	1019%
Clavamox (cat)	\$0.57	\$2.90	409%
Clavamox (dog)	\$0.74	\$3.53	377%
Rimadyl	\$0.81	\$1.59	96%
Baytril	\$1.25	\$4.89	291%
Gentocin	\$6.70	\$20.16	201%
Heartgard Plus	\$23.72	\$49.48	109%
Atopica	\$28.03	\$58.78	110%
Revolution (dog)	\$28.75	\$59.26	106%
Revolution (cat)	\$29.10	\$58.61	101%
Advantage (dog)	\$31.46	\$55.03	75%
Advantage (cat)	\$31.53	\$56.29	79%
Frontline Plus (cat)	\$46.48	\$82.94	78%
Interceptor (cat)	\$48.01	\$81.74	70%
Interceptor (dog)	\$48.01	\$91.07	90%
Advantix	\$49.56	\$75.77	53%
Frontline Plus (dog)	\$52.01	\$94.01	81%

Summary of pricing

<u>Product</u>	<u>Average Wholesale Price</u>	<u>Average Veterinarian Price</u>	<u>Veterinarian Mark-Up</u>	<u>Average On-Line Price</u>	<u>On-Line Mark-Up</u>	Consumer Savings if Purchase Online Instead of Vet
Tramadol	\$0.04	\$0.36	800%	\$0.26	550%	28%
Prednisone	\$0.06	\$0.40	567%	\$0.16	167%	60%
Amoxicillin	\$0.43	\$4.81	1019%	\$0.84	95%	83%
Clavamox (cat)	\$0.57	\$2.90	409%	\$0.85	49%	71%
Clavamox (dog)	\$0.74	\$3.53	377%	\$1.42	92%	60%
Rimadyl	\$0.81	\$1.59	96%	\$1.12	38%	30%
Baytril	\$1.25	\$4.89	291%	\$1.93	54%	61%
Gentocin	\$6.70	\$20.16	201%	\$14.57	117%	28%
Heartgard Plus	\$23.72	\$49.48	109%	\$35.57	50%	28%
Atopica	\$28.03	\$58.78	110%	\$50.66	81%	14%
Revolution (dog)	\$28.75	\$59.26	106%	\$45.71	59%	23%
Revolution (cat)	\$29.10	\$58.61	101%	\$40.91	41%	30%
Advantage (dog)	\$31.46	\$55.03	75%	\$43.28	38%	21%
Advantage (cat)	\$31.53	\$56.29	79%	\$43.91	39%	22%
Frontline Plus (cat)	\$46.48	\$82.94	78%	\$67.74	46%	18%
Interceptor (cat)	\$48.01	\$81.74	70%	\$77.72	62%	5%
Interceptor (dog)	\$48.01	\$91.07	90%	\$74.20	55%	19%
Advantix	\$49.56	\$75.77	53%	\$70.78	43%	7%
Frontline Plus (dog)	\$52.01	\$94.01	81%	\$78.11	50%	17%